

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

BRAD BUONASERA, on behalf of himself and
all others similarly situated,

Plaintiff,

v.

THE HONEST COMPANY, INC.

Defendant.

Case No. 7:16-cv-01125

**AMENDED CLASS ACTION
COMPLAINT**

DEMAND FOR JURY TRIAL

ECF CASE

Plaintiff Brad Buonasera, a citizen of New York, individually and on behalf of other similarly situated individuals, by and through his counsel, alleges the following based upon his own personal knowledge and the investigation of his counsel.

INTRODUCTION

1. This is a proposed Class Action Complaint against The Honest Company (“Honest”) for falsely, misleadingly, and deceptively labeling its products as “natural,” “all natural,” “naturally derived,” and/or “plant-based,” and for falsely, misleadingly, and deceptively labeling these products as containing “no harsh chemicals, ever!” when these products in fact contain a spectacular array of synthetic and toxic ingredients (collectively, the “Falsely Labeled Products”).

2. Aware of the health risks and environmental damage caused by chemical-laden personal care and household care products, and aware that toxic chemicals can enter the body through inhalation or skin contact, consumers increasingly demand products that are natural and/or plant-based, and that omit harsh chemicals.

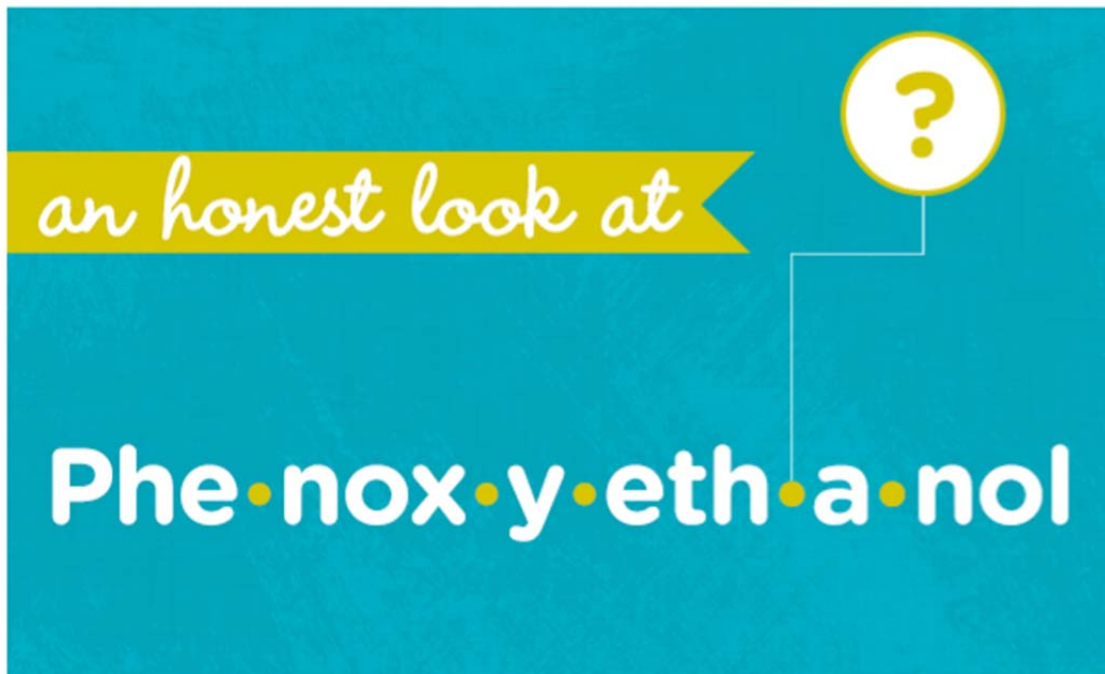
3. Honest knows this. Honest also knows that consumers will pay a premium for natural and/or plant-based products that do not contain harsh chemicals.

4. To capture this growing market, Honest labels many of its personal care, baby care, and household care products as “natural,” “all natural,” “naturally derived” and/or “plant-based.” Honest also labels its products as containing “no harsh chemicals (ever!).” *See* product labels and ingredients attached as Exhibit 1.

5. Ironically, Honest’s products are not so honest, after all. Instead, Honest’s products are a chemical soup, containing a substantial array and significant amount of ingredients that are synthetic – some of which Honest even admits are synthetic, and many of which are federally classified as toxic substances.

6. For example, lurking inside the “kid-friendly” and seemingly mom-worthy “plant-based” Laundry Detergent that “softens naturally” and contains “no harsh chemicals (ever!)” is a chemical cocktail of synthetic ingredients. In fact, out of the seven ingredients, *more than two-thirds* (five) are synthetic, and *more than two-thirds* are “harsh,” if not downright toxic.

7. In its blog (separate from its online storefront), Honest *admits* that at least one of these ingredients, phenoxyethanol, is synthetic:



This is part of our ongoing series helping consumers better understand chemicals, chemistry, and product formulations. We translate the science, bust the myths, and give you an honest assessment, so you can make informed choices for your family!

Ingredient: Phenoxyethanol

What it is: Phenoxyethanol can be found naturally in green tea, but the commercial ingredient is synthetically produced in a laboratory creating what's termed a "nature identical" chemical. Specifically, it's created by treating phenol with ethylene oxide in an alkaline medium which all reacts to form a pH-balanced ingredient.

Honest Blog, Phenoxyethanol, attached as Exhibit 2.¹

¹ *an honest look at*

Phenoxyethanol

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8. ***Phenoxyethanol*** is toxic by definition under federal law, based on animal testing demonstrating that the substance is lethal even in very small doses. Even short exposure could cause serious temporary or residual injury. It is toxic to the kidneys, the nervous system, and the liver. It is extremely hazardous in case of eye contact and very hazardous in case of skin contact (defatting the skin and adversely affecting the central nervous system and peripheral nervous system, causing headaches, tremors, and central nervous system depression). It is also very hazardous in case of ingestion or inhalation. It degrades into substances that are even more toxic. It is a Category 2 germ cell mutagen, meaning that it is suspected of mutating human cells in a way that can be transmitted to children conceived after exposure. Phenoxyethanol is an ethylene glycol ether, which is known to cause wasting of the testicles, reproductive changes, infertility, and changes to kidney function. Phenoxyethanol is also Category 2 carcinogen, meaning that it is suspected to induce cancer or increase its incidence.

9. Case studies indicate that repeated exposure to phenoxyethanol results in acute neurotoxic effects, as well as chronic solvent-induced brain syndrome, constant irritability, impaired memory, depression, alcohol intolerance, episodes of tachycardia and dyspnea, and problems with balance and rash.

10. In this laundry detergent, Honest also includes methylisothiazolinone, a

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Exhibit 2 (Honest Blog, Phenoxyethanol).

compound that animal testing indicates is a neurotoxin and that was named the Contact Allergen of the Year in 2013 by the American Contact Dermatitis Society. In fact, the scientific literature is replete with case studies of people developing eczematous eruptions or dermatitis following use of common personal care products containing even minuscule amounts of methylisothiazolinone (as low as, or lower than, 20 parts per million, or 0.002%).

11. Honest's ingredients are "legal" for use in personal and household care products, in that the law does not prohibit them from being used. Honest, however, did and does not claim that its products are simply "legal"; it claims that its products have "no harsh chemicals (ever!)" and are "natural," "all natural," "naturally derived" and/or "plant-based." *See* Exhibit 1.

12. By deceiving consumers about the nature, quality, and/or ingredients of its products, Honest is able to command a premium price, increasing consumers' willingness to pay and taking market share from competing products, thereby increasing its own sales and profits.

13. Consumers lack the scientific knowledge necessary to determine whether personal care, baby care, and household care ingredients are natural, plant-based, or harsh. Reasonable consumers must and do rely on the company to report accurately what the product is made of.

14. Honest further encourages consumers to rely on its representations, marketing itself as an honest company that provides transparent and truthful information about its products' ingredients.

15. Honest intended for consumers to rely on its representations, and hundreds of thousands of reasonable consumers did in fact so rely.

16. As a result of its false, misleading, and deceptive labeling, Honest was able to sell its products to hundreds of thousands of consumers throughout the United States and to realize sizeable profits.

17. Honest's false and misleading representations and omissions violate state laws as detailed more fully below, including New York General Business Law § 349, New York General Business Law § 350, and common law.

18. Honest claims that if it "make[s] a mistake" or "can't live up to your expectations, we'll fess up and keep trying to do better, no matter what it takes." Honest Website, What You Can Expect, attached as Exhibit 3.

19. When Plaintiff informed Honest about his claims in mid-September 2015, and detailed the synthetic and toxic nature of the ingredients in its products falsely labeled as "natural" and/or plant-based," and as containing "no harsh chemicals (ever!)," and asked Honest to correct its advertising, Honest failed to live up to that promise.

20. Plaintiff brings this action to stop Honest's deceptive and misleading practices.

JURISDICTION AND VENUE

21. This Court has personal jurisdiction over the parties in this case. Plaintiff Brad Buonasera is a citizen of New York.

22. Honest purposefully avails itself of the laws of New York to market its products to consumers nationwide, including consumers in New York, and distributes the Falsely Labeled Products to numerous retailers throughout New York.

23. This Court has original subject-matter jurisdiction over this proposed class action pursuant to 28 U.S.C. § 1332(d), which under the provisions of the Class Action Fairness Act ("CAFA"), explicitly provides for the original jurisdiction of the federal courts in any class action in which at least 100 members are in the proposed plaintiff class, any member of the plaintiff class is a citizen of a State different from any defendant, and the matter in controversy exceeds the sum of \$5,000,000.00, exclusive of interest and costs.

24. Venue is proper in this District under 28 U.S.C. § 1391(a). Substantial acts in furtherance of the alleged improper conduct, including the dissemination of false, misleading and deceptive information regarding the nature, quality, and/or ingredients of the Falsely Labeled Products, occurred within this District.

PARTIES

25. Plaintiff Brad Buonasera is an individual consumer who, at all times material hereto, is a citizen of the State of New York and resident of the County of New York. During the class period, Buonasera purchased Honest's Conditioning Detangler and Shampoo + Body Wash products from a Costco store located on 517 East 117th Street, New York, New York.

26. In deciding to make these purchases, Buonasera saw, relied upon, and reasonably believed the front-label representation that the Conditioning Detangler was "natural," and the front-label representation that the Shampoo + Body Wash was "natural." These representations were a significant reason for his purchases.

27. In deciding to make these purchases, Buonasera also saw, relied upon, and reasonably believed the back-label representation on the Shampoo + Body Wash that the product contained "no harsh chemicals (ever!)" *See* Exhibit 1. These representations were a significant reason for his purchases. All the label representations were also made on Honest's website.

28. Had Plaintiff known at the time that these products were not "all natural," "natural," "naturally derived," or "plant-based," as promised, he would not have purchased these products.

29. Had Plaintiff known at the time that these products contained harsh chemicals, he would not have purchased these products.

30. Plaintiff purchased, purchased more of, or paid more for, the Falsely Labeled

Products than he would have had he known the truth about the Falsely Labeled Products.

31. If Honest's products were reformulated such that its representations were truthful, Plaintiff would consider purchasing Honest's products in the future.

32. Defendant The Honest Co., Inc. is incorporated under the laws of Delaware and maintains its principal place of business and headquarters in Santa Monica, California.

33. Honest manufactures and/or causes the manufacture of personal care, baby care, and household care products. Honest labels these products under its own name, and markets and distributes the products through its online website and through retail stores in New York, and the United States.

SUBSTANTIVE ALLEGATIONS

34. American consumers increasingly and consciously seek out natural and plant-based ingredients in their personal care and household products. Once a small niche market, natural products are now sold by conventional retailers, and their sales continue to soar.

35. Consumers value natural and plant-based products for myriad health, environmental, and political reasons, including avoiding skin irritation and disease, attaining health and wellness, helping the environment, and financially supporting companies that share these values.

36. Hoping to capture this growing market, Honest produces personal care and household care products that it markets as natural and/or plant-based, and as containing "no harsh chemicals (ever!)." *See* Exhibits 1, 4.

37. Honest carefully cultivates its image as a healthy, eco-friendly, worker-friendly brand — the kind of company whose label claims can be trusted. Honest further markets itself as an expert source of information on infant health and ingredient identity, safety, and efficacy.

38. Honest markets itself as a different type of company that eschews the synthetic and toxic ingredients that other manufacturers typically use.

39. In particular, Honest markets itself as a company that is *honest*. Honest describes as its first standard:

Create a Culture of Honesty

We are serious about honesty – both as it applies to the integrity of our relationships and in being true to you. And, it’s a standard we encourage throughout our staff, stakeholders, and customers

Honest Website, Our Principles, attached as Exhibit 5.

40. Jessica Alba, one of Honest’s two co-founders, claims: “I created The Honest Company to help moms and to give all children a better, safer start.” Honest Website, Who We Are, attached as Exhibit 6.

41. Honest’s other co-founder, Christopher Gavigan, claims that Honest’s products are designed to avoid the toxic chemicals that consumers try to avoid:

Parents get a lot of advice about what to feed their children and how to baby-proof their home . . . but many are still completely unaware of the toxic risks posed by everyday basics, like diapers, home cleaners, body washes, and laundry soaps. Yet, there’s growing consensus that some chemicals used in these products are linked to chronic diseases like asthma, ADHD, and even cancer. . . .

I’m thrilled to launch a brand that offers some of the most thoughtfully designed, innovative, and safest products available.

Ex. 6 (Honest Website, Who We Are).

42. Honest similarly claims that the company was founded to provide “unquestionably safe, ecofriendly” products. Honest Website, Our Story, attached as Exhibit 7.

43. Honest’s products are intended for use on infants, children, adults, and in the home. Honest sells these products directly through its website in the form of a subscription service and distributes them nationwide to purchasers. Honest also sells the Falsely Labeled

Products through traditional retail outlets.

44. Honest holds itself out as an expert in ingredient chemistry. Honest touts its chemical expertise and claims that it is “über-vigilant” about the latest science regarding toxic chemicals. Honest Website, Honestly Free Guarantee, attached as Exhibit 8.

45. Honest also touts its Scientific and Medical Advisory Board, further encouraging consumers to rely on its “natural,” “plant-based,” and “no harsh chemicals (ever!)” claims. Honest Website, Medical Advisory Board, attached as Exhibit 9.

46. Honest also claims that if a new risk becomes apparent, it will “modify our approach, and immediately update our formulation (that’s how we roll!)” Exhibit 8 (Honest Website, Honestly Free Guarantee).

47. Upon information and belief, Honest has profited enormously from its carefully orchestrated image. In 2012 Honest’s revenue was \$10 million. By 2014 it was \$150 million, and revenue for 2015 is estimated to have been \$250 million.

48. Honest has also raised nearly \$70 million in venture capital to expand its capacity. Honest has been valued at nearly \$1 billion as it prepares to undertake an initial public share offering.

PRODUCTS FALSELY LABELED AS “NATURAL” AND/OR “PLANT-BASED”

49. On its product packages (and again online), Honest prominently labels many of its products as “natural,” “all natural,” “naturally derived,” and/or “plant-based.” This representation is false as to the many products that contain synthetic ingredients.

50. Further inducing consumers to rely on its deceptive representations, Honest does not label all its products as “natural,” “all natural,” “naturally derived,” or “plant-based,” leading consumers to believe that Honest carefully studies all its products’ ingredients to ensure that the

natural/plant-based claim is made only on those products that are truly natural or plant-based.

51. Representing that a product is “natural,” “all natural,” “naturally derived,” and/or “plant-based” is a statement of fact.

52. Consumers reasonably believe that a product labeled as natural or all natural does not contain synthetic ingredients.

53. Similarly, consumers reasonably believe that a product labeled as “plant-based” does not contain synthetic ingredients. Consumers reasonably expect that a plant-based product contains only plant-based ingredients and water. Consumers reasonably expect that these plant-based ingredients may have been created *using* a synthetic processing aid, *i.e.*, a synthetic compound that helps process the plant ingredient but does not remain in the finished ingredient, *e.g.*, a synthetic agent that removes water or other substances from the plant ingredient. Consumers, however, reasonably expect that the synthetic ingredient was not reacted with the plant-based ingredient in such a way that the synthetic ingredient, in whole or in part, remains in the finished ingredient.

54. Similarly, consumers reasonably believe that a product labeled as “naturally derived” does not contain synthetic ingredients.

55. Trade associations also define natural and plant-based products as not containing synthetic ingredients.

56. Honest knows and intends that when consumers see the product labels promising the product is natural, all natural, or plant-based, consumers will understand that to mean that, at the very least, the product does not contain synthetic ingredients.

57. Honest’s representation that certain of its products are “natural,” “all natural,” “naturally derived,” and/or “plant-based” is false. In fact, many of these products contain one or

more synthetic ingredients. *See* Exhibit 1.

58. The Falsely Labeled Products are thus not “all natural,” “natural,” “naturally derived,” or “plant-based,” and labeling them as such is misleading and deceptive.

59. The Falsely Labeled Products include but are not limited to:²

4-in-1 Laundry Packs
Air + Fabric Freshener
Auto Dishwasher Gel
Bathroom Cleaner
Bathroom Cleaner Concentrate
Dishwasher Packs
Dryer Cloths
Floor Cleaner
Floor Cleaner Concentrate
Fruit + Veggie Wash
Glass + Window Cleaner
Glass + Window Cleaner Concentrate
Laundry Detergent
Oxy Boost
Rinse Aid
Toilet Cleaner
Stain Remover
Stain Remover Concentrate
Wet Mopping Pads
Bar Soap
Bubble Bath
Conditioner
Conditioning Detangler
Deodorant
Face + Body Lotion
Shampoo + Body Wash
3-in-1 Facial Towelettes
Hand Sanitizer Gel
Hand Sanitizer Spray
Foaming Hand Soap
Soothing Bottom Wash

² Honest has discontinued offering some of the Falsely Labeled Products, has altered the packaging, has altered the ingredients, or has selectively marketed the products. Honest also regularly introduces new products that include artificial ingredients. The identity of these additional products will be ascertained through discovery, and these products are hereby included in the list of “Falsely Labeled Products” at issue in this action.

Wipes
Wipes – Travel Packs
Kids’ Toothpaste
Toothpaste
Mouthwash
Housewarming Gift Set
Nesting Gift Set
Bathtime Gift Set
Discovery Set
Essentials Gift Bundle

60. These products all contain synthetic ingredients, including but not limited to:

- a. *Caprylic/capric triglyceride* is an artificial compound manufactured by hydrolyzing coconut oil, removing the free glycerine, and separating the medium chain length fatty acids by fractional distillation. The acids are then blended in the proper ratio and re-esterified with glycerine
- b. *Caprylyl glycol* is synthesized by the catalytic oxidation of caprylyl alkene oxides, which are themselves often synthesized. Honest admits that its caprylyl glycol is synthetic:



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Ingredient: Caprylyl Glycol

What it is: Caprylyl glycol is an alcohol derived from caprylic acid—a natural fatty acid found in the milk of some mammals, as well as palm and coconut oils. Ours is synthetically made, but nature-identical.

Honest Blog, Caprylyl Glycol, attached as Exhibit 10.³

³ *an honest look at*

Caprylyl Glycol

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Caprylyl glycol is an alcohol derived from caprylic acid—a natural fatty acid

c. *Caprylyl/myristyl glucoside* is produced by alcoholysis of glucose with myristyl and caprylyl alcohol under acidic conditions.

d. *Cetearyl alcohol* is a mixture of cetyl and stearyl alcohols. Cetyl alcohol is classified as synthetic by federal regulations. It is chemically synthesized by, for example: catalytic hydrogenation of the triglycerides obtained from coconut oil or tallow, oxidation of a chain growth product of ethylene oligomerized on a triethylaluminum catalyst, reaction of palmitoyl chloride and sodium borohydride, reaction of methylthiopalmate plus Raney nickel. Stearyl alcohol is also produced synthetically.

e. *Cetearyl olivate* is synthetic, and is produced from cetyl and stearyl alcohols. Cetyl alcohol is classified as synthetic by federal regulations. It is chemically synthesized by, for example: catalytic hydrogenation of the triglycerides obtained from coconut oil or tallow, oxidation of a chain growth product of ethylene oligomerized on a triethylaluminum catalyst, reaction of palmitoyl chloride and sodium borohydride, reaction of methylthiopalmate plus Raney nickel. Stearyl alcohol is also produced synthetically.

f. “*Cetyl esters*” is a synonym for synthetic spermaceti wax, a wax found in the head of a sperm or bottlenose whale. This synthetic wax is designed to be indistinguishable in composition and properties with natural spermaceti wax. It is a mixture of alkyl esters, most of which are produced synthetically.

g. *Cocamidopropyl betaine* is a synthetic surfactant produced by reacting coconut

found in the milk of some mammals, as well as palm and coconut oils. Ours is synthetically made, but nature-identical.

Exhibit 10 (Honest Blog, Caprylyl Glycol).

oil fatty acids with 3,3-dimethylaminopropylamine, yielding cocamidopropyl dimethylamine. It is then reacted with sodium monochloroacetate to produce cocamidopropyl betaine. Trade associations prohibit cocamidopropyl betaine from being included in products labeled as “natural”

h. *Cocamidopropyl hydroxysultaine* is also a synthetic ingredient, prohibited by the trade associations from household products and personal care products labeled as “natural”

i. *Cocamidopropylamine oxide* is a synthetic surfactant produced by reacting hydrogenated coconut oil with dimethylamidopropylamine, and further reacting the product with hydrogen peroxide.

j. *Decyl glucoside* can be produced by reacting glucose and n-butanol in the presence of a strong acid catalyst such as p-toluenesulfonic acid or sulfuric acid, followed by the transglycosidation of the resulting butyl glucoside with fatty alcohol to yield decyl glucoside. Alternatively, it can be produced by reacting highly refined glucose with fatty acids in the presence of an acid catalyst.

k. For personal care products, *ethyl alcohol* is produced chemically, and federal regulations classify it as synthetic. Additionally, Honest Co. does not identify the denaturing agent for many of the products.

l. *Ethylhexyl palmitate* is obtained by reacting 2-ethylhexyl alcohol with palmitic acid.

m. *Glycerol stearate* is chemically synthesized by glycerolysis or by esterification of glycerol and stearic acid.

n. According to the ingredient supplier, *guar hydroxypropyltrimonium chloride* is produced by chemically modifying guar gum by adding positively charged trimethylammonium hydroxypropyl ether side chains.

o. *Hydroxyethylcellulose* is prepared by reacting alkali cellulose with ethylene oxide in the presence of alcohol or acetone.

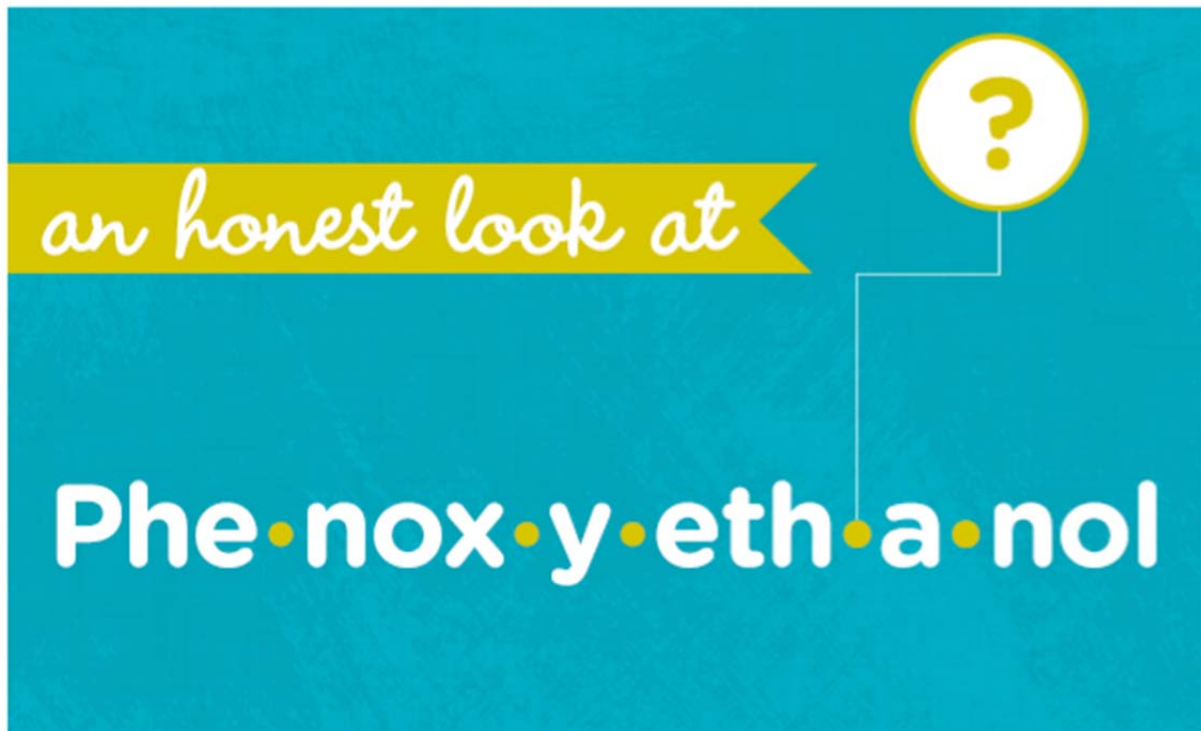
p. *Hydroxypropyl guar hydroxypropyltrimonium chloride* is the hydroxypropyl derivative of guar hydroxypropyltrimonium chloride, which itself is produced by chemically modifying guar gum by adding positively charged trimethylammonium hydroxypropyl ether side chains.

q. *Lauryl glucoside* is produced by alcoholysis of glucose and lauryl alcohol under acidic conditions. Historically, lauryl alcohol was prepared solely from natural products, but is now synthesized from ethylene.

r. *Methylisothiazolinone* is a synthetic biocide preservative produced by the controlled chlorination of dimethyl-dithiodipropionamide in solvent and then neutralized.

s. *Panthenol* is a synthetic compound, produced by adding propanolamine to optically active alpha, gamma-dihydroxy-beta,beta-dimethylbutyrolacton, such as by combining 3-amino-1-propanolamine with the lactone of 2,4-dihydroxy-3,3-dimethyl butyric acid or the panthotheinc lactone of 2,4-dihydroxy-3,3-dimethyl butyric acid.

t. *Phenoxyethanol* is produced by reacting phenol with ethylene oxide in the presence of a basic catalyst under pressure and heat. It is classified as synthetic by trade associations governing the use of the term “natural” on household and personal care products. Honest admits that phenoxyethanol is synthetic.



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Ingredient: Phenoxyethanol

What it is: Phenoxyethanol can be found naturally in green tea, but the commercial ingredient is synthetically produced in a laboratory creating what's termed a "nature identical" chemical. Specifically, it's created by treating phenol with ethylene oxide in an alkaline medium which all reacts to form a pH-balanced ingredient.

Honest Blog, Phenoxyethanol, attached as Exhibit 2.⁴

⁴ *an honest look at*

Phenoxyethanol

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u. **PPG-4 Laureth/Myreth-5** is the reaction product of lauryl and/or myristyl alcohol with ethylene oxide and propylene oxide. It is the polyoxypropylene, polyoxyethylene ether of lauryl alcohol and/or myristyl alcohol, containing an average of 5 moles of ethylene oxide and 4 moles of propylene oxide. It is produced by activating the alkyl alcohol with a metal hydroxide, reacting the resulting alkoxide with propylene oxide and ethylene oxide, and then processing, usually with a Brønsted-Lowry type acid or a methyl halide, which can potentially lead to the generation of some 1,4-dioxane.

v. **Sodium citrate** is classified as synthetic by federal regulations. It is usually prepared by reacting sodium carbonate or sodium hydroxide with citric acid, or by reacting sodium sulfate with calcium citrate.

w. **Sodium coco-sulfate** is synthetic, produced by isolating C12 – C18 saturated fatty acids from oils, and then sulfonating with chemicals such as sulfuric acid, sulfur trioxide, or chlorosulfonic acid.

x. **Sodium lauryl glucose carboxylate** is a novel synthetic surfactant, prohibited by trade groups from household products and personal care products labeled as “natural.”

y. **Sodium methyl cocoyl taurate** is synthetic, produced by reacting taurine or a taurate salt with an appropriate fatty acid.

z. **Sorbitan olivate** is also synthetic, formed by the esterification of sorbitan with the

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Exhibit 2 (Honest Blog, Phenoxyethanol).

wax obtained by partial hydrogenation of olive oil.

aa. *Triethyl citrate* is prepared by esterifying citric acid with ethyl alcohol.

bb. *Ammonium glycyrrhizate* is produced by acid precipitation of licorice root extract, followed by neutralization with dilute ammonia. Ammonia is the fifth-highest-volume chemical produced in the U.S., where it is principally produced by the partial combustion of natural gas.

cc. *Benzisothiazolinone* is a synthetic biocide that is used as a preservative.

According to ingredient suppliers, it is produced by a complex and proprietary series of chemical reactions and separations.

dd. While *bisabolol* is naturally occurring substance, the ingredient used in personal care products is alpha-bisabolol, which is synthesized by reacting ketodiene in ether with methyl magnesium iodide, and adding saturated aqueous ammonium acetate solution.

ee. According to an ingredient manufacturer, *butyloctyl salicylate* is the synthetically produced ester of Salicylic Acid.

ff. *C12-15 Pareth-7* and *C9-11 Pareth-3* can be derived from tallow. However, Honest's products are claimed to be vegan, which would preclude the use of tallow. Thus, the ingredients in Honest's product are synthesized by reacting ethylene oxide with the appropriate alcohol and alkali earth metal or alkoxide, and the reaction is terminated by an acid (*e.g.*, hydrochloric acid). 1,4 dioxane is commonly formed as a byproduct. It is prohibited by industry associations from household products and personal care products labeled as "natural."

gg. *Calcium ascorbate* is classified by federal regulations as a chemical preservative. It is prepared from ascorbic acid and calcium carbonate in acetone or alcohol.

hh. *Coco-betaine* is artificially produced by reacting fatty dimethyl amines from coconuts with chloroacetic acid. It is classified as synthetic by trade associations governing the

use of the term “natural” on household and personal care products.

ii. ***Coco-glucoside*** is chemically produced through coconut alcohol and glucose.

Coconut alcohol is a mixture of the fatty alcohols from the fatty acids derived from coconut oil.

Glucose is produced commercially by reacting sulfuric acid or hydrochloric acid with starch.

jj. ***Dipropylene glycol*** is produced by reacting propylene glycol and propylene oxide.

kk. ***Ethylhexylglycerin*** is a synthetic skin-conditioning agent produced by the catalytic splitting of ethylhexylglycidyl ether (also an artificial compound). It is prohibited by industry associations from being included in products labeled as “natural.”

ll. ***Hydrated silica*** is also known as synthetic amorphous silicon dioxide. It is synthetically produced by reacting an aqueous alkali metal silicate solution and a mineral acid.

mm. ***Isopropyl myristate*** is produced synthetically, either by reacting myristic acid and isopropanol or myristoyl chloride with 2-propanol.

nn. ***Isopropyl palmitate*** is a synthetic compound prohibited by industry associations from being added to household products and personal care products labeled as “natural.” It is produced by reacting palmitic acid and isopropyl alcohol in the presence of an acid catalyst.

oo. ***Polysorbate 20*** is classified as synthetic by federal regulations, and prohibited by trade groups from being in products labeled as “natural.” It is a surfactant produced by reacting sorbitol and its anhydrides with ethylene oxide.

pp. ***Polysorbate 80*** is similarly a synthetic substance, prohibited by trade groups from being in products labeled as “natural.” It is produced by reacting oleic acid with sorbitol and ethylene oxide.

qq. ***Polyvinyl alcohol*** is a synthetic polymer produced by dissolving polyvinyl acetate in methanol, and adding sodium hydroxide. Alternatively, it is produced by hydrolysis of

polyvinyl acetate by ester interchange with methanol and sodium methylate.

rr. *Potassium citrate* is classified by federal regulations as synthetic. It is prepared by reacting citric acid and potassium hydroxide, or by reacting citric acid with potassium carbonate or bicarbonate.

ss. *Potassium cocoate* and *potassium oleate* is derived from oils and potassium hydroxide (itself a synthetic substance).

tt. *Potassium sorbate* is produced by reacting sorbic acid and potassium hydroxide. It is classified as a chemical preservative under federal regulations

uu. According to federal regulations, *propylene glycol* “does not occur in nature.” Instead, it is manufactured by treating propylene with chlorinated water and sodium carbonate, or by heating glycerol with sodium hydroxide.

vv. The *silica* that is in Honest’s products is synthetic, as only the amorphous forms of silica, and more specifically, synthetic amorphous silica and silicates, are used in cosmetics.

ww. According to federal regulations, *sodium benzoate* is not found to occur naturally. Instead, it is chemically synthesized by reacting benzoic acid with sodium hydroxide, sodium bicarbonate, or sodium carbonate.

xx. *Sodium percarbonate*, also listed as *sodium carbonate peroxide*, is a synthetic substance produced by the reaction of sodium carbonate and hydrogen peroxide.

yy. According to federal regulations, *sodium hydroxide* is a synthetic compound, produced by the electrolysis of sodium chloride solution and also by reacting calcium hydroxide with sodium carbonate.

zz. According to federal regulations, *sodium metasilicate* is synthetic as “it does not occur naturally but rather is synthesized by melting sand with sodium carbonate at 1400 °C.”

aaa. *Sodium palmate* is synthesized by reacting palm oil with sodium hydroxide.

bbb. *Sodium polyaspartate* is a new anionic polymeric humectant derived from aspartic acid, an artificial compound.

ccc. According to federal regulations, *sodium sulfate* is prepared by the neutralization of sulfuric acid with sodium hydroxide.

ddd. *Sorbitol* occurs naturally but is produced synthetically for household products by the electrolytic reduction or the transition metal catalytic hydrogenation of sugar solutions containing glucose or fructose.

eee. *Tocopherols* are classified as synthetic substances by federal regulations, even when extracted from natural oils, done through molecular distillation, solvent extraction, or absorption chromatography.

fff. By federal regulation, *triacetin* is prepared by heating glycerin with acetic anhydride alone or in the presence of finely divided potassium hydrogen sulfate. It can also be prepared by the reaction of oxygen with a liquid-phase mixture of allyl acetate and acetic acid using a bromide salt as a catalyst. It is synthetic.

ggg. By federal regulation, *calcium glycerophosphate* is prepared by neutralizing glycerophosphoric acid with calcium hydroxide or calcium carbonate. It is synthetic.

hhh. Though *calcium silicate* occurs naturally in mineral form, commercial calcium silicate sold for industrial use is prepared synthetically to control its absorbing power.

iii. *Capryl/capramidopropyl betaine* is a synthetic substance, produced by reacting coconut oil fatty acids with synthetic substances, including 3,3-dimethylaminopropylamine.

jjj. *Cellulose gum* is prepared synthetically, by treating cellulose with alkali, reacting with sodium monochloroacetate, and purifying.

kkk. *Polyglyceryl-4 laurate/sebacate* is the monoester of Polyglycerin-4 and a mixture of lauric and sebacic acids

lll. *Polyglyceryl-6 caprylate/caprate* is the monoester of polyglycerin-6 (q.v.) and a mixture of caprylic and capric acids.

mmm. *Zinc ricinoleate* is chemically produced, such as by reacting a zinc compound with a ricinoleic acid-rich mixture obtained by cleaving glycerol from castor oil.

nnn. While *urea* exists in nature, it is synthesized for commercial use from carbon dioxide and ammonia.

ooo. *Isopropyl alcohol* is classified as synthetic by federal regulations.

ppp. According to federal regulations, *titanium dioxide* is a synthetically prepared color additive.

qqq. According to federal regulations, the color additive *zinc oxide* is manufactured by the French process, whereby zinc metal isolated from zinc-containing ore is vaporized and then oxidized.

rrr. Other ingredients are also synthetic, including *tetrasodium iminodisuccinate*, *triethoxycaprylsilane*, *polyglyceryl-4 oleate*, *polyhydroxystearic acid*, *dl-alpha tocopherol acetate*, *hydrogenated methyl abietate*, and *hydroxyethyl ammonium methyl sulfate*.

61. Other ingredients in Honest's products may be synthetic. For example:

a. The *enzymes* used in Honest's products may be produced from genetically modified materials, as most enzymes used in household products nowadays are.

b. *Amylase* may be produced from genetically modified materials, as most enzymes used in household products nowadays are.

c. **Glycerin** can be naturally produced, but is typically chemically manufactured by, *e.g.*, hydrogenolysis of carbohydrates, by hydration of epichlorohydrin followed by reaction with sodium hydroxide; reaction of allyl alcohol with hydrogen peroxide; reaction of allyl alcohol with peracetic acid followed by hydrolysis. Glycerin can also be produced from propylene oxide, where propene is epoxidized to propylene oxide, which is then isomerized to allyl alcohol. A second epoxidation is carried out with peracetic acid, and the resulting glycidol is hydrolyzed to glycerol.

d. **Acetic acid** may be chemically synthesized, such as by oxidation of acetaldehyde derived from ethylene, liquid phase oxidation of butane, and reaction of carbon monoxide with methanol derived from natural gas.

e. **Menthol** can be produced from mint oils or prepared synthetically.

f. **Sodium bicarbonate** may be chemically synthesized, depending on the processing methods used. In cosmetic products, sodium bicarbonate is typically artificially produced by the Solvay process, where carbon dioxide is bubbled through a solution of sodium chloride and ammonia to precipitate sodium bicarbonate.

g. **Sodium cocoate** is the sodium salt of coconut acid. Coconut acid is produced by hydrolysis and isolation of fatty material from coconut oil, and is then distilled. The result is then reacted with sodium hydroxide to produce sodium cocoate.

62. Honest has concealed the nature, identity, source, and/or method of preparation of additional ingredients, which may also be synthetic ingredients. Thus, discovery is necessary to uncover the true nature of other ingredients in Honest's products.

**PRODUCTS FALSELY LABELED AS CONTAINING
“NO HARSH CHEMICALS (EVER!)”**

63. On most of its product packages, Honest labels its products as containing “no harsh chemicals (ever!)” *See* Exhibit 1. Honest also shows this promise online, and repeats the promise on each webpage for each product. *See* Exhibit 4.

64. Representing that a product contains “no harsh chemicals” is a statement of fact.

65. Consumers reasonably believe that a product labeled as not containing harsh chemicals will not contain toxic or hazardous chemicals.

66. To further encourage consumers to rely on its promise of “no harsh chemicals (ever!),” Honest provides an “honestly FREE guarantee.”

What’s it mean? In a nutshell:

You can rest easy knowing The Honest Company DOES NOT USE health-compromising chemicals or compounds.

Exhibit 8 (Honest Website, Honestly Free Guarantee) (red font in original).

67. Honest gives consumers its own definition of non-toxic:

We define “non-toxic” as chemicals that are generally safer for humans and the environment. While most manufacturers’ assessments of toxicity only take acute impacts into consideration, we also assess chronic impacts, exposure routes, unique windows of vulnerability, and a wide spectrum of potential health impacts including carcinogenicity, teratogenicity, allergenicity, neurotoxicity, and more.

Honest Website, What Does Non-Toxic Really Mean?, attached as Exhibit 11.

68. Honest’s promise of “no harsh chemicals (ever!)” is false.

69. By way of example, the above products contain the following harsh chemicals:

a. The toxicological properties of *sodium coco-sulfate* have not been thoroughly investigated. Animal testing, however, indicates that sodium coco-sulfate is a skin irritant and a severe eye irritant (causing eye damage that remains irreversible 21 days after

exposure). It is closely related to sodium lauryl sulfate, a toxic compound consumers frequently try to avoid. Sodium coco-sulfate is toxic by definition under federal law, based on animal testing demonstrating that the substance is lethal even in very small doses.

b. ***Phenoxyethanol*** is toxic by definition under federal law, based on animal testing demonstrating that the substance is lethal even in very small doses. Even short exposure could cause serious temporary or residual injury. It is toxic to the kidneys, the nervous system, and the liver. It is extremely hazardous in case of eye contact and very hazardous in case of skin contact (defatting the skin and adversely affecting the central nervous system and peripheral nervous system, causing headaches, tremors, and central nervous system depression). It is also very hazardous in case of ingestion or inhalation. It degrades into substances that are even more toxic. It is a Category 2 germ cell mutagen, meaning that it is suspected of mutating human cells in a way that can be transmitted to children conceived after exposure. Phenoxyethanol is an ethylene glycol ether, which is known to cause wasting of the testicles, reproductive changes, infertility, and changes to kidney function. Phenoxyethanol is also Category 2 carcinogen, meaning that it is suspected to induce cancer or increase its incidence. Case studies indicate that repeated exposure to phenoxyethanol results in acute neurotoxic effects, as well as chronic solvent- induced brain syndrome, constant irritability, impaired memory, depression, alcohol intolerance, episodes of tachycardia and dyspnea, and problems with balance and rash.

c. ***Methylisothiazolinone*** is a synthetic biocide and preservative. It is highly toxic by definition under federal law, based on animal testing demonstrating that the substance is lethal even in very small doses. It is also very toxic to aquatic life with long-lasting effects. It is classified as a Category 1 skin sensitizer, meaning that repeated skin contact causes an allergic response in a substantial number of persons. In these sensitized individuals, very low future

exposure can cause itching and a skin rash. It was named the Contact Allergen of the Year for 2013 by the American Contact Dermatitis Society. In fact, the scientific literature is replete in case studies of people developing eczematous eruptions or dermatitis following use of common personal care products containing even minuscule amounts of methylisothiazolinone (as low as, or lower than, 20 parts per million, or 0.002%). The European Union's Scientific Committee on Consumer Safety ("SCCS") concluded that, as to its potential to elicit contact allergy, no information was available to evaluate its safety in rinse-off products, and no safe concentration has been adequately demonstrated for in leave-on cosmetic products (including "wet wipes"). Methylisothiazolinone also causes Category 1 eye damage (serious eye damage that remains irreversible 21 days after exposure), and Category 1A skin corrosion, *i.e.*, it irreversibly damages the skin after short exposure. In animal tests, the substance caused visible necrosis after less than three minutes of exposure.

d. ***Lauryl glucoside*** is classified as a skin irritant and as a Category 1 skin sensitizer, meaning that repeated skin contact causes a skin allergy in a substantial number of persons. In these sensitized individuals, very low future exposure can cause itching and a skin rash. Furthermore, it causes serious eye damage that remains irreversible 21 days after exposure.

e. ***Guar hydroxypropyltrimonium chloride*** is very toxic to aquatic life with long-lasting effects. According to the ingredient manufacturer, prolonged skin contact may also cause skin irritation, redness, drying, and flaking.

f. ***Cocamidopropylamine oxide*** is hazardous to humans and very toxic to aquatic life with long-lasting effects. It causes serious eye damage that remains irreversible 21 days after exposure. It causes Category 1B skin corrosion, meaning that it irreversibly damages

the skin after short exposure; in animal tests, the substance caused visible necrosis after less than one hour of exposure.

g. *Cocamidopropyl betaine* is very toxic to aquatic life. To humans, it is a skin irritant and causes serious eye damage that remains irreversible 21 days after exposure.

h. *Cetearyl alcohol* is inherently toxic to aquatic life, toxic to the mucous membranes, and is hazardous by definition under federal law. Its use in cosmetic products has not been adequately assessed.

i. *Caprylic/capric triglyceride* is classified as a skin and eye irritant. It is also inherently toxic to aquatic life.

j. *Acetic acid* is a substance that, on short exposure, could cause serious temporary or residual injury even if prompt medical treatment is given. It is classified by multiple federal laws as a hazardous and toxic substance. The National Institute for Occupational Safety and Health (NIOSH) determined that concentrations as low as 50 parts per million is immediately dangerous to life or health, meaning it poses an immediate threat to life, would cause irreversible adverse health effects, or would impair an individual's ability to escape from a dangerous atmosphere. Animal testing indicates that it may affect genetic material and cause reproductive effects. It is a single exposure Category 1 systemic toxin, causing damage to the blood system after a single exposure. It is also presumed to damage the respiratory organs after a single exposure. Repeated or prolonged contact with spray mist may produce chronic eye irritation, severe skin irritation, and/or respiratory tract irritation leading to frequent attacks of bronchial infection. Accidental eye contact has caused irreversible corneal paralysis and muddiness. It is highly corrosive to the skin and causes second degree burns after contact for a few minutes. A harmful contamination of the air can be reached rather quickly on evaporation of

this substance at below room temperature (20°C/68°F). It is also harmful to aquatic life.

k. ***Benzisothiazolinone*** is a registered pesticide. It is very toxic to aquatic life with long-lasting effects. It causes contact dermatitis and, according to the ingredient supplier, serious eye damage that remains irreversible 21 days after exposure, including corneal injury, vision impairment, and even blindness. It is toxic by definition under federal law, based on animal testing demonstrating that the substance is lethal even in very small doses.

l. ***Coco glucoside*** is harmful to aquatic life with long-term effects. It is a skin irritant that causes serious eye damage that remains irreversible 21 days after exposure.

m. ***Ethylhexylglycerin*** is toxic to aquatic organisms, with long-term adverse effects. It is also harmful to humans, with eye contact causing serious eye damage.

n. Federal law classifies ***hydrated silica*** as a toxic and hazardous air contaminant.

o. ***Potassium citrate*** is hazardous through all routes of exposure (skin, eye, ingestion, and inhalation). It causes Category 1A skin corrosion, meaning that it irreversibly damages the skin after short exposure. In animal tests, the substance caused visible necrosis after less than 3 minutes of exposure.

p. ***Potassium sorbate*** is acutely toxic, based on animal testing. Its use in cosmetic products is restricted in Europe. It is also hazardous in case of skin contact, eye contact, ingestion, or inhalation. Animal testing indicates it to be a possible mutagen.

q. Animal testing data indicates that ***propylene glycol*** may cause adverse reproductive effects and birth defects. It is very toxic to aquatic life and a skin irritant. It is classified as a Category 1 skin sensitizer, meaning that repeated skin contact causes a skin allergy in a substantial number of persons. In these sensitized individuals, very low future

exposure can cause itching and a skin rash.

r. ***Sodium benzoate*** is toxic to the female reproductive system, and it is suspected to be toxic to the male reproductive system. It is also a suspected mutagen, meaning that it is suspected of producing inheritable mutations in human germ cells in a way that can be transmitted to children conceived after exposure. It may cause birth defects, and may also be toxic to blood, the liver, and the central nervous system. It is hazardous by definition under federal law, and is acutely toxic based on animal testing. It causes serious eye damage that remains irreversible 21 days after exposure, and is a Category 1 skin sensitizer.

s. ***Sodium borate decahydrate*** is harmful to aquatic life with long-lasting effects. It is a Category 1B reproductive toxin, meaning that, based on animal testing, it is presumed to cause effects on human reproduction or development and may damage fertility or the unborn child. According to ingredient suppliers, “ample” evidence exists that exposure to the material directly causes human developmental disorders and reduced human fertility. According to ingredient suppliers, it can accumulate in the testes and deplete germ cells and cause withering of the testicles. Hair loss, skin inflammation, stomach ulcer and anemia can also occur. It is a Category 1 target organ systemic toxin in humans, as after a single exposure, it causes damage to the central nervous system, and generally low exposure causes damage to the kidneys, nervous system, and respiratory organs. It is a skin and eye irritant.

t. ***Sodium percarbonate***, a.k.a. sodium carbonate peroxide, is toxic to aquatic life with long-lasting effects. It is very hazardous in case of skin contact and causes serious eye damage that remains irreversible 21 days after exposure.

u. ***Sodium metasilicate*** is toxic by definition under federal law, based on animal testing demonstrating that the substance is lethal even in very small doses. It causes

serious eye damage that remains irreversible 21 days after exposure. It is highly corrosive to the skin, causing irreversible damage after short exposure; in animal tests, the substance caused visible necrosis after less than 1 hour of exposure. It is acutely toxic if ingested, even in minute amounts. Human ingestion of 1 mL/kg causes changes in tubules (including acute renal failure and necrosis), hematuria, and nausea or vomiting.

v. ***Isopropyl alcohol*** is regulated by federal law as a toxic and hazardous substance. The National Institute for Occupational Safety and Health (NIOSH) determined that concentrations as low as 2000 parts per million is immediately dangerous to life or health, meaning it poses an immediate threat to life, would cause irreversible adverse health effects, or would impair an individual's ability to escape from a dangerous atmosphere. It is a Category 2 eye irritant, causing adverse effects on the cornea, iris, conjunctiva. It causes transient target organ effects after single exposure, such as narcotic effects and respiratory tract infection.

w. ***Titanium dioxide*** is a skin and eye irritant. It is hazardous by definition under federal law. Animal studies indicate it may also be a mutagen.

x. ***Zinc oxide*** is dangerous to the environment and very toxic to aquatic life with long-lasting effects. It is hazardous by definition under federal law.

y. Other compounds, including ***isopropyl myristate, potassium oleate, silica, sodium carbonate, sodium hydroxide, sodium sulfate, vanillin, behentrimonium chloride, glyceryl stearate***, and ***sodium lauroyl sarcosinate*** are harsh and – for some – also classified by federal law as hazardous or toxic substances.

THE REPRESENTATIONS ARE FALSE, DECEPTIVE, AND MISLEADING

70. Honest's conduct deceived and/or was likely to deceive the public. Consumers were deceived into believing that the listed ingredients are not synthetic, are "natural" and/or

“plant-based,” and are not harsh chemicals. Instead, these ingredients are synthetic. Some are also known or suspected toxins, carcinogens, and/or environmental hazards, and are not reasonably expected by consumers to be added to the products.

71. Consumers would not know the true nature of the ingredients merely by reading the ingredient label. Discovery of the true nature of the ingredients requires knowledge of chemistry and federal regulations beyond that of the average reasonable consumer.

HONEST’S DECEPTIVE AND MISLEADING OMISSIONS

72. Honest deceptively and misleadingly conceals other material facts about the Falsely Labeled Products, including:

- a. the true nature of the Falsely Labeled Products’ ingredients;
- b. that the Falsely Labeled Products contain artificial substances and synthetic substances, substances that are synthetically manufactured, or are produced or processed using synthetic ingredients, artificial ingredients, toxins, carcinogens, pollutants, genetically modified organisms, and/or hazardous substances;
- c. that the Falsely Labeled Products are not “natural” and/or not “plant-based”;
- d. that the Falsely Labeled Products contain harsh chemicals, including toxic compounds;
- e. that the Falsely Labeled Products are not what a reasonable consumer would consider to be “natural” and/or “plant-based;”
- f. that the Falsely Labeled Products contain chemicals that a reasonable consumer would not expect in a product labeled as containing “no harsh chemicals (ever!).”

73. Plaintiff and the members of the Class are not at fault for failing to discover

Honest's wrongs earlier, and had no actual or presumptive knowledge of facts sufficient to put them on inquiry notice.

74. The production process Honest uses for many of its ingredients is known only to it. Honest has not disclosed such information to Plaintiff and the Class members. For example, Honest adds "enzymes" to its products, but does not identify the enzyme added, nor whether the enzyme is created from synthetic biology. Honest also has not identified the denaturing agent used in its denatured alcohol. These facts are not ascertainable and are still not known to Plaintiff, the Class members, and reasonable consumers. Honest's concealment tolls the applicable statute of limitations.

75. To this day, Honest continues to conceal and suppress the true nature, identity, source, and method of production of the ingredients in the Falsely Labeled Products.

HONEST KNEW THE REPRESENTATIONS WERE FALSE

76. Honest holds itself out to the public as a trusted expert in the natural, plant-based, and non-harsh products arena.

77. Honest knew what representations it made regarding the Falsely Labeled Products. It also knew what ingredients were added to each product, as (presumably) all product ingredients are listed on the product packages.

78. Honest is governed by and knows the federal regulations that govern the labeling of the Falsely Labeled Products, and thus was aware that many of the ingredients are synthetic and/or toxic.

79. In September 2015, Plaintiff's counsel provided Honest with all the material allegations included in this Complaint. Honest was thus specifically notified that its products labeled as "natural" and/or "plant-based" contained synthetic substances and harsh compounds.

80. Honest thus knew all the facts demonstrating that its Falsely Labeled Products were falsely advertised.

HONEST INTENDED CONSUMERS RELY ON ITS MISREPRESENTATIONS

81. Honest made the false, deceptive, and misleading representations and omissions, intending for Plaintiff and the Class members to rely upon these representations and omissions in purchasing one or more of the Falsely Labeled Products.

82. In making the false, misleading, and deceptive representations and omissions at issue, Honest knew and intended that consumers would purchase the Honest products when consumers would otherwise purchase a competing product or employ an alternate regimen (such as using vinegar for household cleaning).

83. In making the false, misleading, and deceptive representations and omissions at issue, Honest also knew and intended that consumers would pay a premium for natural and/or plant-based products and products that are free of harsh chemicals, furthering Honest's private interest of increasing sales of its products and decreasing the sales of the all-natural and/or plant-based products that are truthfully marketed by its competitors.

84. Honest knows that consumers prefer natural and plant-based products, and products that do not contain harsh chemicals. Honest knows that consumers will pay a premium for these products or would not purchase these products at all unless they were natural and/or plant-based, and/or contained no harsh chemicals, as advertised.

85. Similarly, independent surveys confirm that consumers will purchase more natural products than conventional products, and will pay a premium for natural products.

CONSUMERS REASONABLY RELIED ON HONEST'S MISREPRESENTATIONS

86. Consumers frequently rely on label representations and information in making

purchase decisions, especially in purchasing food, personal care, or household products.

87. When Plaintiff and the Class members purchased the Falsely Labeled Products, Plaintiff and the Class members saw the false, misleading, and deceptive representations detailed above, and did not receive disclosure of the facts concealed, as detailed above.

88. These misrepresentations were uniform and were communicated to Plaintiff and every other member of the Class at every point of purchase and consumption.

89. Plaintiff and the Class members were among the intended recipients of Honest's deceptive representations and omissions.

90. Plaintiff and the Class members reasonably relied to their detriment on Honest's misleading representations and omissions.

91. Honest's false, misleading, and deceptive misrepresentations and omissions deceived and misled, and are likely to continue to deceive and mislead, Plaintiff, the Class members, reasonable consumers, and the general public.

92. Honest's misleading affirmative statements further obscured what it failed to disclose. Thus, reliance upon Honest's misleading and deceptive representations and omissions may be presumed.

93. Honest made the deceptive representations and omissions with the intent to induce Plaintiff and the Class members to purchase the Falsely Labeled Products. Plaintiff's and the Class members' reliance upon such representations and omissions may be presumed.

94. Honest's deceptive representations and omissions are material in that a reasonable person would attach importance to such information and would be induced to act upon such information in making purchase decisions. Thus, Plaintiff's and the Class members' reliance upon such representations and omissions may be presumed as a matter of law. The materiality of

those representations and omissions also establishes causation between Honest's conduct and the injuries sustained by Plaintiff and the Class members.

HONEST'S WRONGFUL CONDUCT CAUSED PLAINTIFF'S INJURY

95. As an immediate, direct, and proximate result of Honest's false, misleading, and deceptive representations and omissions, Honest injured Plaintiff and the Class members in that Plaintiff and the Class members:

- a. paid a sum of money for a product that was not as represented;
- b. paid a premium price for a product that was not as represented;
- c. were deprived the benefit of the bargain because the Falsely Labeled Products they purchased were different from what Honest warranted;
- d. were deprived the benefit of the bargain because the Falsely Labeled Products they purchased had less value than what was represented;
- e. did not receive a product that measured up to their expectations as created by Honest.

96. Had Honest not made the false, misleading, and deceptive representations and omissions, Plaintiff and the Class members would not have been injured as listed above. Accordingly, Plaintiff and the Class members have suffered "injury in fact" as a result of Honest's wrongful conduct.

97. Plaintiff and the Class members all paid money for the Falsely Labeled Products but did not obtain the full value of the advertised products due to Honest's misrepresentations and omissions. Plaintiff and the Class members purchased, purchased more of, or paid more for, the Falsely Labeled Products than they would have had they known the truth about the Falsely Labeled Products. Accordingly, Plaintiff and the Class members have suffered "injury in fact"

and lost money or property as a result of Honest's wrongful conduct.

**HONEST BENEFITTED FROM ITS MISLEADING AND
DECEPTIVE REPRESENTATIONS AND OMISSIONS**

98. As the intended, direct, and proximate result of Honest's false, misleading, and deceptive representations and omissions, Honest has been unjustly enriched through more sales of Falsely Labeled Products and higher profits at the expense of Plaintiff and the Class members. As a direct and proximate result of its deception, Honest also unfairly obtained other benefits, including the higher value associated with a "natural" brand and the resulting higher stock value, redirecting sales to it and away from its competitors, and increased sales of its other products.

CLASS ALLEGATIONS

99. Plaintiff Brad Buonasera brings this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of himself and all other similarly situated New York residents defined as follows:

All New York residents who purchased the Falsely Labeled Products (as defined herein) from a retail location within New York.

100. Excluded from the Class are officers and directors of Honest; members of the immediate families of the officers and directors of Honest; Honest's legal representatives, heirs, successors, or assigns; and any entity in which they have or have had a controlling interest.

101. Plaintiff brings the Class pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(1), 23(b)(2), and 23(b)(3).

102. At this time, Plaintiff does not know the exact number of the Class members; given the nature of the claims and the number of sales that Honest has made of the Falsely

Labeled Products, Plaintiff believes that the Class are so numerous that joinder of all members is impracticable.

103. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class that predominate over questions that may affect individual Class members include:

- (a) whether Honest misrepresented and/or failed to disclose material facts concerning the Falsely Labeled Products;
- (b) whether Honest's conduct was unfair and/or deceptive; and
- (c) whether Honest breached an express warranty created through the labeling and marketing of its Falsely Labeled Products.

104. Plaintiff's claims are typical of those of the Class because Plaintiff, like all members of the Class, purchased one or more of Honest's Falsely Labeled Products at a premium price, relying on Honest's false and misleading representations, and Plaintiff sustained damages from Honest's wrongful conduct.

105. Plaintiff will fairly and adequately protect the interests of the Class because Plaintiff is similarly situated with, and has suffered similar injuries as, the members of the Class he seeks to represent. Plaintiff feels that he has been deceived, wishes to obtain redress of the wrong, and wants Honest to be stopped from perpetrating similar wrongs on others. Plaintiff is an adequate representative of the Class because his interests do not conflict with the interests of the Class members he seeks to represent, and he has retained counsel competent and experienced in conducting complex class action litigation, who were the first to publicly uncover the true scope and extent of Honest's wrongs. Plaintiff has no interests adverse to those of the Class members, and he will vigorously prosecute this litigation.

106. A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Specifically, no Class has a substantial interest in individually controlling the prosecution of a separate action. The damages suffered by each individual Class member likely will be relatively small, especially given the burden and expense of individual prosecution of the complex litigation necessitated by Honest's conduct. Thus, it would be virtually impossible for the Class members individually to redress effectively the wrongs done to them.

107. The prerequisites to maintaining a class action for injunctive or equitable relief are met as Honest has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive or equitable relief with respect to the Class as a whole.

108. Upon information and belief, there are no pending lawsuits concerning the products at issue in this case. Concentration of the litigation concerning this matter in this Court is desirable, the Class is comprised solely of New York residents and is of a moderate size, and the difficulties likely to be encountered in the management of a class action are not great. The resolution of the claims of all Class members in a single forum, and in a single proceeding, would be a fair and efficient means of resolving the issues raised in this litigation.

109. The prosecution of separate actions by Class would create a risk of establishing inconsistent rulings and/or incompatible standards of conduct for Honest.

110. Honest's conduct is generally applicable to the Class as a whole and Plaintiff seeks, *inter alia*, equitable remedies with respect to the Class as a whole. As such, Honest's systematic policies and practices make declaratory relief with respect to the Class as a whole appropriate.

111. The Class is specifically identifiable to facilitate provision of adequate notice and there will be no significant problems managing this case as a class action. Notice to the Class can be made through various means, such as in-store leaflets, website advertisements, notices on the labels of the packages, and/or direct notice to those consumers for which Honest knows the e-mail or physical mailing address.

CAUSES OF ACTION

COUNT I

(Violation of the New York General Business Law § 349)

112. Such acts of Honest, as described above, and each of them constitute unlawful, deceptive, and fraudulent business acts and practices.

113. As more fully described herein, Honest's misleading marketing, advertising, packaging, and labeling of the Falsely Labeled Products is likely to deceive a reasonable consumer. Indeed, Plaintiff and the other Class members were deceived regarding the characteristics of Honest's Falsely Labeled Products, as Honest's marketing, advertising, packaging, and labeling of the Falsely Labeled Products misrepresents and/or omits the true nature, quality, and/or ingredients of the Falsely Labeled Products.

114. There is no benefit to consumers or competition from deceptively marketing and labeling products. Indeed, the harm to consumers and competition is substantial.

115. Plaintiff and the other members of the Class who purchased the Falsely Labeled Products suffered a substantial injury as alleged herein. Plaintiff and the other members of the Class who purchased the Falsely Labeled Products had no way of reasonably knowing that the Falsely Labeled Products they purchased were not as marketed, advertised, packaged, and labeled. Thus, they could not have reasonably avoided the injury each of them suffered.

116. Honest has violated, and continues to violate, § 349 of the New York General Business Law, which makes deceptive acts and practices unlawful. As a direct and proximate result of Honest's violation of § 349, Plaintiff and other members of the Class have suffered damages in an amount to be determined at trial. Had Plaintiff and the Class members known the true facts, they would not have purchased the products, would have purchased fewer products, or would not have been willing to pay the premium price Honest charged for the products.

117. Pursuant to New York General Business Law § 349, Plaintiff seeks an order of this Court that includes, but is not limited to, an order enjoining Honest from continuing to engage in unlawful, unfair, or fraudulent business practices or any other act prohibited by law.

118. Plaintiff and the other members of the Class may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

119. The unfair and deceptive acts and practices of Honest, as described above, present a serious threat to Plaintiff and the other members of the Class.

120. THEREFORE, Plaintiff prays for relief as set forth below.

COUNT II

(Violation of the New York General Business Law § 350)

121. Such acts of Honest, as described above, and each of them constitute unlawful, deceptive, and fraudulent business acts and practices.

122. As more fully described herein, Honest's misleading marketing, advertising, packaging, and labeling of the Falsely Labeled Products is false advertising likely to deceive a reasonable consumer. Indeed, Plaintiff and the other Class members were deceived regarding the characteristics of Honest's Falsely Labeled Products, as Honest's marketing, advertising, packaging, and labeling of the Falsely Labeled Products misrepresents and/or omits the true

nature, quality, and/or ingredients of the Falsely Labeled Products.

123. There is no benefit to consumers or competition from deceptively marketing and labeling products. Indeed, the harm to consumers and competition is substantial.

124. Plaintiff and the other members of the Class who purchased the Falsely Labeled Products suffered a substantial injury as alleged herein. Plaintiff and the other members of the Class who purchased the Falsely Labeled Products had no way of reasonably knowing that the Falsely Labeled Products they purchased were not as marketed, advertised, packaged, and labeled. Thus, they could not have reasonably avoided the injury each of them suffered.

125. Honest has violated, and continues to violate, § 350 of the New York General Business Law, which makes false advertising unlawful. As a direct and proximate result of Honest's violation of § 350, Plaintiff and other members of the Class have suffered damages in an amount to be determined at trial. Had Plaintiff and the Class members known the true facts, they would not have purchased the products, would have purchased fewer products, or would not have been willing to pay the premium price Honest charged for the products.

126. Pursuant to New York General Business Law § 350-e, Plaintiff seeks to recover his actual damages or \$500, whichever is greater, and seek to have these damages trebled.

127. Pursuant to New York General Business Law § 350, Plaintiff also seeks an order of this Court that includes, but is not limited to, an order enjoining Honest from continuing to engage in false advertising or any other act prohibited by law.

128. Plaintiff and the other members of the Class may be irreparably harmed and/or denied an effective and complete remedy if such an order is not granted.

129. The unfair and deceptive acts and practices of Honest, as described above, present a serious threat to Plaintiff and the other members of the Class.

130. THEREFORE, Plaintiff prays for relief as set forth below.

COUNT III

(Based on Breach of Express Warranty)

131. Honest provided Plaintiff and other members of the Class with written express warranties including, but not limited to, warranties that its Falsely Labeled Products were “natural,” “all natural,” “naturally derived,” “plant-based,” and contained “no harsh chemicals (ever!).”

132. These affirmations of fact or promises by Honest relate to the goods and became part of the basis of the bargain.

133. Plaintiff and members of the Class purchased the Falsely Labeled Products, believing them to conform to the express warranties.

134. Honest breached these warranties. This breach resulted in damages to Plaintiff and other members of the Class, who bought Falsely Labeled Products but did not receive the goods as warranted.

135. As a proximate result of the breach of warranties by Honest, Plaintiff and the other members of the Class did not receive goods as warranted. Plaintiff and the members of the Class therefore have been injured and have suffered damages in an amount to be proven at trial. Among other things, Plaintiff and members of the Class did not receive the benefit of the bargain and have suffered other injuries as detailed above. Moreover, had Plaintiff and the Class members known the true facts, they would not have purchased the products, would have purchased fewer products, or would not have been willing to pay the premium price Honest charged for the products.

136. THEREFORE, Plaintiff prays for relief as set forth below.

COUNT IV
(Unjust Enrichment)

137. As a result of Honest's deceptive, fraudulent, and misleading labeling, advertising, marketing, and sales of the Falsely Labeled Products, Honest was enriched at the expense of Plaintiff and the other members of the Class through the payment of the purchase price for Honest's Falsely Labeled Products.

138. Under the circumstances, it would be against equity and good conscience to permit Honest to retain the ill-gotten benefits that it received from Plaintiff and the other members of the Class, in light of the fact that the Falsely Labeled Products purchased by Plaintiff and the other members of the Class were not what Honest purported them to be. Thus, it would be unjust or inequitable for Honest to retain the benefit without restitution to Plaintiff and the other members of the Class for the monies paid to Honest for such Falsely Labeled Products.

139. THEREFORE, Plaintiff prays for relief as set forth below.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment on behalf of himself and the proposed Class providing such relief as follows:

A. Certification of the Class proposed herein under Federal Rule of Civil Procedure 23(a), (b)(1), (b)(2), and (b)(3); appointment of Plaintiff as representative of the Class; and appointment of his undersigned counsel as counsel for the Class;

B. A declaration that Honest is financially responsible for notifying members of the Class of the pendency of this suit;

C. An order requiring an accounting for, and imposition of a constructive trust upon, all monies received by Honest as a result of the unfair, misleading, fraudulent, and unlawful conduct alleged herein;

D. Restitution, disgorgement, refund, and/or other monetary damages, together with costs and disbursements, including reasonable attorneys' fees pursuant to the applicable statutes and prejudgment interest at the maximum rate allowable by law;

E. Injunctive relief on behalf of the Class pursuant to New York General Business Code § 349 and common law, enjoining Honest's unlawful and deceptive acts;

F. Statutory damages in the maximum amount provided by law; and

G. Such further relief as this Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff and the Class members hereby demand a trial by jury.

DATED: April 20, 2016

**FINKELSTEIN, BLANKINSHIP,
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